

State of California • Arnold Schwarzenegger, Governor State and Consumer Services Agency

DEPARTMENT OF GENERAL SERVICES Executive Office

July 17, 2006

The Honorable Wesley Chesbro, Chair Joint Legislative Budget Committee State Capitol, Room 5035 Sacramento, CA 95814

Dear Senator Chesbro:

The Department of General Services (DGS), in consultation with the Prison Industry Authority (PIA), submits the following information as required by Item 1760-001-0666 of the Supplemental Report of the 2005 Budget Act.

After this Supplemental Report language was adopted, an agreement with the Department of Finance and the Legislative Analyst's Office was reached that the report would be limited to those non-PIA purchases where the DGS invoked Government Code (GC) Section 14612(e). GC Section 14612(e) provides that, notwithstanding Section 2807 of the Penal Code, the Director or his or her designee may procure goods from the private sector even though the goods may be available from the PIA, when in his or her discretion, it is cost beneficial to do so and if the Director or his or her designee continues to include the authority in soliciting quotations for goods.

For Fiscal Year 2005-06, to date, the DGS has not used its authority granted by GC Section 14612(e) to purchase goods from the private sector that are also available from the PIA.

If you have any questions, please contact Ben Martin, Purchasing Manager, Procurement Division, Department of General Services, at (916) 375-4523.

Sincerely,

Ron Joseph Director

cc: See attached distribution list
Ben Martin, Purchasing Manager, Procurement Division, Department of General Services

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